

AMENDED IN ASSEMBLY SEPTEMBER 1, 2015

AMENDED IN ASSEMBLY AUGUST 17, 2015

AMENDED IN ASSEMBLY JULY 16, 2015

AMENDED IN ASSEMBLY JULY 7, 2015

AMENDED IN SENATE APRIL 16, 2015

AMENDED IN SENATE APRIL 7, 2015

SENATE BILL

No. 555

Introduced by Senator Wolk
(~~Coauthor: Senator~~ Coauthors: Senators Allen and Pavley)
(Coauthors: Assembly Members Chu and Rendon)

February 26, 2015

An act to add Section 10608.34 to the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 555, as amended, Wolk. Urban retail water suppliers: water loss management.

Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020, and requires the state to make incremental progress towards this goal by reducing per capita water use by at least 10% on or before December 31, 2015. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, in accordance with specified requirements.

This bill would require each urban retail water supplier, on or before October 1, 2017, and on or before ~~July~~ *October* 1 of each year thereafter, to submit a completed and validated water loss audit report for the

previous calendar year *or previous fiscal year* as prescribed by rules adopted by the Department of Water Resources on or before January 1, 2017, and updated as provided. The bill would require the department to post all validated water loss audit reports on its Internet Web site in a manner that allows for comparisons across water suppliers and to make these reports available for public viewing. This bill would require the department to provide technical assistance to guide urban retail water suppliers' water loss detection programs. The bill would require the State Water Resources Control Board, no earlier than January 1, 2019, and no later than July 1, 2020, to adopt rules requiring urban retail water suppliers to meet performance standards for the volume of water losses. This bill would require the board to contribute up to \$400,000 using funds available for the 2016–17 fiscal year towards procuring water loss audit report validation assistance for urban retail water suppliers.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 10608.34 is added to the Water Code, to
2 read:
3 10608.34. (a) (1) On or before January 1, 2017, the department
4 shall adopt rules for all of the following:
5 (A) The conduct of standardized water loss audits by urban
6 retail water suppliers in accordance with the method adopted by
7 the American Water Works Association in the third edition of
8 Water Audits and Loss Control Programs, Manual M36 and in the
9 Free Water Audit Software, version 5.0.
10 (B) The process for validating a water loss audit report prior to
11 submitting the report to the department. For the purposes of this
12 section, “validating” is a process whereby an urban retail water
13 supplier uses a technical expert to confirm the basis of all data
14 entries in the urban retail water supplier’s water loss audit report
15 and to appropriately characterize the quality of the reported data.
16 The validation process shall follow the principles and terminology
17 laid out by the American Water Works Association in the third
18 edition of Water Audits and Loss Control Programs, Manual M36
19 and in the Free Water Audit Software, version 5.0. A validated

1 water loss audit report shall include the name and technical
2 qualifications of the person engaged for validation.

3 (C) The technical qualifications required of a person to engage
4 in validation, as described in subparagraph (B).

5 (D) The certification requirements for a person selected by an
6 urban retail water supplier to provide validation of its own water
7 loss audit report.

8 (E) The method of submitting a water loss audit report to the
9 department.

10 (2) The department shall update rules adopted pursuant to
11 paragraph (1) no later than six months after the release of
12 subsequent editions of the American Water Works Association's
13 Water Audits and Loss Control Programs, Manual M36. Except
14 as provided by the department, until the department adopts updated
15 rules pursuant to this paragraph, an urban retail water supplier may
16 rely upon a subsequent edition of the American Water Works
17 Association's Water Audits and Loss Control Programs, Manual
18 M36 or the Free Water Audit Software.

19 (b) On or before October 1, 2017, and on or before ~~July~~ *October*
20 1 of each year thereafter, each urban retail water supplier shall
21 submit a completed and validated water loss audit report for the
22 previous calendar year *or the previous fiscal year* as prescribed
23 by the department pursuant to subdivision (a). Water loss audit
24 reports submitted on or before October 1, 2017, may be completed
25 and validated with assistance as described in ~~paragraph (1) of~~
26 subdivision (c).

27 (c) Using funds available for the 2016–17 fiscal year, the board
28 shall contribute up to four hundred thousand dollars (\$400,000)
29 towards procuring water loss audit report validation assistance for
30 urban retail water suppliers.

31 (d) Each water loss audit report submitted to the department
32 shall be accompanied by information, in a form specified by the
33 department, identifying steps taken in the preceding year to increase
34 the validity of data entered into the final audit, reduce the volume
35 of apparent losses, and reduce the volume of real losses.

36 (e) At least one of the following employees of an urban retail
37 water supplier shall attest to each water loss audit report submitted
38 to the department:

39 (1) The chief financial officer.

40 (2) The chief engineer.

1 (3) The general manager.

2 (f) The department shall deem incomplete and return to the
3 urban retail water supplier any final water loss audit report found
4 by the department to be incomplete, not validated, unattested, or
5 incongruent with known characteristics of water system operations.
6 A water supplier shall resubmit a completed water loss audit report
7 within 90 days of an audit being returned by the department.

8 (g) The department shall post all validated water loss audit
9 reports on its Internet Web site in a manner that allows for
10 comparisons across water suppliers. The department shall make
11 the validated water loss audit reports available for public viewing
12 in a timely manner after their receipt.

13 (h) Using available funds, the department shall provide technical
14 assistance to guide urban retail water suppliers' water loss detection
15 programs, including, but not limited to, metering techniques,
16 pressure management techniques, condition-based assessment
17 techniques for transmission and distribution pipelines, and
18 utilization of portable and permanent water loss detection devices.

19 (i) No earlier than January 1, 2019, and no later than July 1,
20 2020, the board shall adopt rules requiring urban retail water
21 suppliers to meet performance standards for the volume of water
22 losses. In adopting these rules, the board shall employ full life
23 cycle cost accounting to evaluate the costs of meeting the
24 performance standards. The board may consider establishing a
25 minimum allowable water loss threshold that, if reached and
26 maintained by an urban water supplier, would exempt the urban
27 water supplier from further water loss reduction requirements.